MEDI-CAL ADMINISTRATIVE ACTIVITIES

OTHER ADMIN. POLICY CHANGE NUMBER: 1

IMPLEMENTATION DATE: 7/1992

ANALYST: Jenn Brooks

FISCAL REFERENCE NUMBER: 235

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$219,300,000	\$282,900,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$219,300,000	\$282,900,000

DESCRIPTION

AB 2377 (Chapter 147, Statutes of 1994) authorized the State to implement the Medi-Cal Administrative Activities (MAA) claiming process. The Medi-Cal program will submit claims on behalf of local government agencies (LGA) to obtain FFP for Medicaid administrative activities.

Section 105 of AB 2780 (Chapter 310, Statutes of 1998), allows school districts the option of claiming MAA through their local education consortium (LEC) or through the LGA.

SB 308 (Chapter 253, Statutes of 2003) redefined LGAs to include Native American Indian tribes. This allows these tribes to participate in MAA and Targeted Case Management programs. With the augmentation of staff in July 2005, the Department is currently implementing the provisions of this bill.

These activities ensure that assistance is provided to Medi-Cal eligible individuals and their families for the receipt of Medi-Cal services. Each year the number of participating LGAs and LECs has increased.

 Cash Basis
 FY 2005-06
 FY 2006-07

 Claims
 \$219,300,000
 \$282,900,000

CCS CASE MANAGEMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 2

IMPLEMENTATION DATE: 7/1999

ANALYST: Terry Childress

FISCAL REFERENCE NUMBER: 230

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$108,155,000	\$113,160,000
STATE FUNDS	\$44,344,000	\$46,396,000
FEDERAL FUNDS	\$63,811,000	\$66,764,000

DESCRIPTION

The CCS case management budget is allocated to individual counties. Estimated county administrative expenditures for FY 2004-05 were used as a base for estimating the current and budget years.

FY 2004-05 Actual Costs	\$101,194,000
FY 2005-06 Estimated Costs	\$106,730,000
FY 2006-07 Estimated Costs	\$111,735,000

County data processing costs associated with CMS Net are estimated to be \$1,425,000 in FYs 2005-06 and 2006-07.

	FY 2005-06	FY 2006-07
CCS Case Management	\$106,730,000	\$111,735,000
CMS Net	\$1,425,000	\$1,425,000
Total	\$108.155.000	\$113,160,000

EPSDT CASE MANAGEMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 3

IMPLEMENTATION DATE: 7/1996

ANALYST: Jeanne Rickelton

FISCAL REFERENCE NUMBER: 229

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$37,464,000	\$37,464,000
STATE FUNDS	\$13,190,000	\$13,190,000
FEDERAL FUNDS	\$24,274,000	\$24,274,000

DESCRIPTION

The EPSDT case management budget is allocated to individual counties and controlled on an accrual basis. The set allocation amount is \$37,464,000 (\$13,190,000 GF) and is based on a formula that was calculated by the CHDP program.

These funds match General Funds which are budgeted in Item 4260-111-001.

MATERNAL AND CHILD HEALTH

OTHER ADMIN. POLICY CHANGE NUMBER: 4

IMPLEMENTATION DATE: 7/1992

ANALYST: Cheri Johnson

FISCAL REFERENCE NUMBER: 234

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$36,600,000	\$36,600,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$36,600,000	\$36,600,000

DESCRIPTION

This policy change reflects the Title XIX federal matching funds for costs of the Maternal and Child Health (MCH) programs described below.

- 1. Black Infant Health (BIH): Reduction of high death rate for African American infants.
- 2. Comprehensive Perinatal Services Program (CPSP): Recruitment and technical assistance for providers of Medi-Cal eligible women.
- 3. Prenatal Care Guidance (PCG): Case management and follow-up for improved access to early obstetrical care for Medi-Cal eligible pregnant women.
- 4. Scope of Work (SOW) Local Program Activities: Perinatal education, services, and referral provided to Medi-Cal eligible women.
- 5. Adolescent Family Life Program (AFLP) & Adolescent Sibling Pregnancy Prevention Program (ASPPP): Case management for pregnant teens, education and prevention of subsequent pregnancies.

Assumptions:

- 1. In FY 2006-07, ASPPP will be eliminated due to a reduction in the MCH federal grant. MCH will no longer be able to provide the Title V funds needed to continue the ASPPP.
- 2. The elimination of ASPPP will not lead to a decrease in funding in FY 2006-07, since all GF and Title XIX federal matching funds previously budgeted for ASPPP will shift to AFLP; and, AFLP will absorb many of the services provided by ASPPP.

	FY 2005-06	FY 2006-07
BIH	\$4,800,000	\$ 4,800,000
CPSP, PCG & SOW	24,000,000	24,000,000
AFLP & ASPPP	7,800,000	7,800,000
Total	\$36,600,000	\$36,600,000

These funds match GF budgeted in Item 4260-111-0001.

POSTAGE & PRINTING

OTHER ADMIN. POLICY CHANGE NUMBER: 5

IMPLEMENTATION DATE: 7/1993

ANALYST: Cheri Johnson

FISCAL REFERENCE NUMBER: 231

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$20,842,000	\$22,047,000
STATE FUNDS	\$9,999,800	\$10,480,350
FEDERAL FUNDS	\$10,842,200	\$11,566,650

DESCRIPTION

Postage and printing costs may be charged to local assistance for items sent to or used by Medi-Cal beneficiaries.

FY 2005-06	Printing	Mailing	Total
CID	\$0	\$5,400,000	\$5,400,000
Eligibility-Design/Dev/Print	\$5,000,000	\$0	\$5,000,000
Distribution	\$0	\$2,000,000	\$2,000,000
Routine	\$1,980,000	\$376,000	\$2,356,000
Conlan Notices	\$35,000	\$0	\$35,000
HF/MCC App.Revision	\$1,800,000	\$0	\$1,800,000*
HF/MCC App.Distr.	\$0	\$1,154,000	\$1,154,000*
Toll-Free Postage	\$13,200	\$1,162,100	\$1,175,300*
Benefits	\$27,100	\$0	\$27,100
BCCTP	\$0	\$4,500	\$4,500
HIPAA Privacy Notices-Medi-Cal	\$400,000	\$1,200,000	\$1,600,000#
FPACT	\$150,000	\$100,000	\$250,000#
BCCTP	\$30,000	\$10,000	\$40,000#
TOTAL	\$9,435,300	\$11,406,600	\$20,841,900
FY 2006-07			
CID	\$0	\$5,400,000	\$5,400,000
Eligibility-Design/Dev/Print	\$5,000,000	\$0	\$5,000,000
Distribution	\$0	\$2,000,000	\$2,000,000
Routine	\$2,000,000	\$400,000	\$2,400,000
HF/MCC App.Revision	\$2,400,000	\$0	\$2,400,000*
HF/MCC App.Distr.	\$0	\$1,750,000	\$1,750,000*
Toll-Free Postage	\$13,200	\$1,162,100	\$1,175,300*
Benefits	\$27,100	\$0	\$27,100
BCCTP	\$0	\$4,500	\$4,500
HIPAA Privacy Notices-Medi-Cal	\$400,000	\$1,200,000	\$1,600,000#
FPACT	\$150,000	\$100,000	\$250,000#
BCCTP	\$30,000	\$10,000	\$40,000#
TOTAL	\$10,020,300	\$12,026,600	\$22,046,900

POSTAGE & PRINTING

OTHER ADMIN. POLICY CHANGE NUMBER: 5

*68% budgeted in Title XXI.

FY05-06: 4260-113-0001 (\$982,773) + 4260-113-0890 (\$1,825,151) = \$2,807,924. FY06-07: 4260-113-0001 (\$1,267,421)+ 4260-113-0890 (\$2,353,783) = \$3,621,204.

#HIPAA costs are budgeted in 4260-117-0001/0890 (50% GF).

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L.A. COUNTY MEDICAID DEMONSTRATION PROJ.

OTHER ADMIN. POLICY CHANGE NUMBER: 6

IMPLEMENTATION DATE: 7/1995
ANALYST: Betty Lai
FISCAL REFERENCE NUMBER: 238

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$8,000,000	\$2,000,000
STATE FUNDS	\$ 0	\$0
FEDERAL FUNDS	\$8,000,000	\$2,000,000

DESCRIPTION

The Los Angeles County Medicaid Demonstration Project is designed to address the current fiscal crisis at the county level by helping to stabilize county health care systems, and to foster a unique restructuring process that is responsive to the needs of local communities within the evolving health care environment. This policy change provides federal funds for eligible county administrative activities specific to the waiver.

The waiver, which originally was approved for the period of July 1995 through June 2000, was extended by the federal government (Centers for Medicare and Medicaid Services (CMS)) for five years and expired on June 30, 2005. Since the Medi-Cal program is funded on a cash basis and Los Angeles County submits its quarterly administration expense claims after the end of the quarters, federal funds will be needed in FY 2005-06 and FY 2006-07 for expenses incurred by Los Angeles County in FY 2004-05 and FY 2005-06.

	Federal	Matching Funds
FY 2005-06:	\$8,000,000	\$8,000,000
FY 2006-07:	\$2,000,000	\$2,000,000

MIS/DSS CONTRACT

OTHER ADMIN. POLICY CHANGE NUMBER: 7

IMPLEMENTATION DATE: 7/2002

ANALYST: Jenn Brooks

FISCAL REFERENCE NUMBER: 252

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$6,374,000	\$9,950,000
STATE FUNDS	\$1,593,500	\$2,487,500
FEDERAL FUNDS	\$4,780,500	\$7,462,500

DESCRIPTION

The Management Information System/Decision Support System (MIS/DSS) gathers data from provider, financial, eligibility and managed care/fee-for-service encounters and claims data into an integrated, knowledge-based system that is used by staff in various CDHS units, including the Audits and Investigations Division in its anti-fraud activities.

The current contract with Medstat expires on April 16, 2006. CDHS is conducting a procurement to secure a new contract, which is expected to be awarded in June 2006. In order to provide continuous access to the MIS/DSS during the procurement process and implementation of the new system, CDHS is requesting a non-competitive bid extension of 9 months for the Medstat contract. This extension would expire in January 2007.

Funding is 75% FFP/25% GF.

Cash Basis	FY 2005-06	FY 2006-07
Medstat Contract	\$5,884,000	\$0
New MIS/DSS Contract	\$0	\$5,884,000
Hardware Upgrade	\$0	\$143,000
Medstat Contract Extension	\$490,000	\$3,923,000
Total	\$6,374,000	\$9,950,000

FAMILY PACT MIP, I&E AND TSO PROGRAMS

OTHER ADMIN. POLICY CHANGE NUMBER: 8

IMPLEMENTATION DATE: 7/2003

ANALYST: Cheri Johnson

FISCAL REFERENCE NUMBER: 261

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$4,200,000	\$4,200,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$4,200,000	\$4,200,000

DESCRIPTION

AB 1762, the Health Trailer Bill of 2003, authorizes the Department to require contractors and grantees under the Office of Family Planning (OFP), Male Involvement Program (MIP), Information and Education (I&E) Program, and Teen Smart Outreach (TSO) Program, to establish and implement a clinical services linkage to the Family PACT program commencing in FY 2003-04. This linkage includes planning and development of a referral process for program participants, to ensure access to family planning and other reproductive health care services.

\$4,200,000 in Title XIX federal funds will be claimed for activities provided by grantees. This policy change provides the Title XIX 50% federal Medicaid funds. The OFP provides the 50% General Fund match in Item 4260-111-0001.

CLPP CASE MANAGEMENT SERVICES

OTHER ADMIN. POLICY CHANGE NUMBER:

IMPLEMENTATION DATE: 7/1997

ANALYST: Cheri Johnson

FISCAL REFERENCE NUMBER: 239

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$4,200,000	\$4,200,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$4,200,000	\$4,200,000

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DESCRIPTION

The Childhood Lead Poisoning Prevention (CLPP) Program provides case management services utilizing revenues collected from fees. The revenues are distributed to county governments which provide the case management services. Some of these services are provided to Medi-Cal eligibles. To the extent that local governments provide case management services to Medi-Cal eligibles, federal matching funds can be claimed.

This policy change reflects the Title XIX federal matching funds for Administrative costs. Benefits costs are in the Base Policy Change, CLPP Case Management Services (see Base Policy Change 20).

MMA DSH ANNUAL INDEPENDENT AUDIT

OTHER ADMIN. POLICY CHANGE NUMBER: 10
IMPLEMENTATION DATE: 7/2006
ANALYST: Betty Lai
FISCAL REFERENCE NUMBER: 266

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$0	\$1,200,000
STATE FUNDS	\$0	\$600,000
FEDERAL FUNDS	\$0	\$600,000

DESCRIPTION

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) requires an annual independent certified audit that primarily certifies:

- 1. The extent to which DSH hospitals (approximately 150+ hospitals) have reduced their uncompensated care costs to reflect the total amount of claimed expenditures.
- 2. That DSH payment calculations of hospital-specific limits include all payments to DSH hospitals, including supplemental payments.

The audits will not be funded from the DSH Medi-Cal Inpatient Payment Adjustment (MIPA) Fund, as the DSH MIPA Fund will no longer earn enough interest to fund the audits. The approval of the Medi-Cal Hospital/Uninsured Care Demonstration Project changed the payment methodology and usage of the DSH MIPA Fund. Annually a total of \$1,200,000 will be needed to fund the audits, \$600,000 (GF) and \$600,000 (FFP).

The audit process is being developed as the Department implements the Medi-Cal Hospital/Uninsured Care Demonstration. The Department has reviewed the criteria and guidance provided by CMS in August 2005 and will begin the contracting and auditing processes. The annual audit is to begin with FY 2003-04 and continue with each fiscal year thereafter. Each year the Department will audit one fiscal year, starting in FY 2006-07. It is assumed that the audit for FY 2003-04 will be completed and paid for in FY 2006-07.

MMA - BENEFICIARY OUTREACH

OTHER ADMIN. POLICY CHANGE NUMBER: 11

IMPLEMENTATION DATE: 7/2005

ANALYST: Karen Fairgrieves

FISCAL REFERENCE NUMBER: 1041

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$1,101,000	\$0
STATE FUNDS	\$550,500	\$0
FEDERAL FUNDS	\$550,500	\$0

DESCRIPTION

The Department distributed several mailings to the persons who are Medi-Cal and Medicare (dual) eligible to inform them of the Medicare Part D drug benefit and to instruct the dual eligibles of the need to enroll in a Part D plan.

The California Department of Mental Health and the California Department of Developmental Services will design flyers specifically geared to the special needs of their clientele who are also Medi-Cal/Medicare eligible. The Department of Health Services will complete the printing and mailing of all flyers since the names and addresses of the Medi-Cal beneficiaries are confidential.

FY 2005-06

Cost of each addition of flyer	\$367,0	000
Number of mailings in 2005-06	Х	3
Total cost for flyers	\$1,101,0	00

(\$550,500 General Fund)

POSTAGE AND PRINTING - THIRD PARTY LIAB.

OTHER ADMIN. POLICY CHANGE NUMBER: 12

IMPLEMENTATION DATE: 7/1996

ANALYST: Jenn Brooks

FISCAL REFERENCE NUMBER: 240

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$1,968,000	\$2,001,000
STATE FUNDS	\$984,000	\$1,000,500
FEDERAL FUNDS	\$984,000	\$1,000,500

DESCRIPTION

The Third Party Liability Branch uses direct mail and specialized reports to identify Medi-Cal beneficiaries with private health insurance, determine the legal liabilities of third parties to pay for services furnished by Medi-Cal, and insure that Medi-Cal is the payor of last resort. The number of forms/questionnaires printed and mailed and report information received correlates to the Medi-Cal caseload.

	FY 200	5-06	FY 200	6-07
Unit	Postage	Printing	Postage	Printing
Other Heath Coverage	\$194,000	\$70,000	\$250,000	\$90,000
Personal Injury	\$304,000	\$51,000	\$319,000	\$51,000
Estate Recovery	\$649,000	\$150,000	\$681,000	\$150,000
Medicare Operations	\$300,000	\$60,000	\$200,000	\$60,000
Analysis and Implementation	\$2,000	\$8,000	\$2,000	\$8,000
Cost Avoidance	\$69,000	\$96,000	\$73,000	\$96,000
*AB 155 Invoices	\$12,000	\$3,000	\$17,000	\$4,000
Total	\$1,530,000	\$438,000	\$1,542,000	\$459,000

^{*}AB 155 (Chapter 820/1999) invoices for premiums for the 250% Working Disabled Program.

FAMILY PACT WAIVER DEMO EVALUATION

OTHER ADMIN. POLICY CHANGE NUMBER: 13

IMPLEMENTATION DATE: 12/1999

ANALYST: Cheri Johnson

FISCAL REFERENCE NUMBER: 247

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$1,684,000	\$1,684,000
STATE FUNDS	\$250,000	\$250,000
FEDERAL FUNDS	\$1,434,000	\$1,434,000

DESCRIPTION

Terms and conditions of the Family PACT Medicaid Waiver Demonstration Project require an evaluation of program effectiveness. The University of California, San Francisco (UCSF) is conducting the program evaluation, which includes analyzing: changes in birth rates; access by target populations; changes in the provider base for target geographical areas; provider compliance; claims analysis; and cost-effectiveness of services.

This policy change provides the Title XIX 50% federal financial participation (FFP) for the evaluation. The Office of Family Planning provides the 50% General Fund match in Item 4260-111-0001 for the evaluation.

This policy change also includes the GF and FFP for a contract to provide data to UCSF for the evaluation. The cost of the contract is \$500,000 (\$250,000 GF) annually.

PERINATAL HIV TESTING PROJECT

OTHER ADMIN. POLICY CHANGE NUMBER: 14

IMPLEMENTATION DATE: 7/1996

ANALYST: Cheri Johnson

FISCAL REFERENCE NUMBER: 241

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$1,614,000	\$1,614,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$1,614,000	\$1,614,000

DESCRIPTION

The Perinatal HIV Testing Project, administered by the Office of AIDS, develops and disseminates HIV educational materials for pregnant women. The Project also provides prenatal HIV testing information (educational material, technical assistance, training, etc.) to perinatal care providers and clinics, local health jurisdictions, health maintenance organizations, and other organizations that require assistance in preventing perinatal transmission. Technical assistance and training is offered only to prenatal providers who currently treat Medi-Cal patients.

This policy change provides the Title XIX 50% federal Medicaid funds. The Office of AIDS provides the General Fund match in Item 4260-111-0001.

MEDICARE HR 1 ELIGIBILITY SYSTEMS CHANGE

OTHER ADMIN. POLICY CHANGE NUMBER: 15

IMPLEMENTATION DATE: 7/2004

ANALYST: Karen Fairgrieves

FISCAL REFERENCE NUMBER: 264

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$1,490,000	\$2,708,000
STATE FUNDS	\$149,000	\$270,800
FEDERAL FUNDS	\$1,341,000	\$2,437,200

DESCRIPTION

The Department has entered into contracts for eligibility systems changes, Medicare Part D required data files, paid claims files, and phase-down validation necessary to implement Medicare Part D, as required by the Medicare Prescription Drug, Improvement, and Modernization Act of 2003. Medi-Cal processing needed to be modified to ensure proper identification, tracking, and reporting of the recipient population to be covered by Medicare Part D.

System modifications are being made to several systems including the Medi-Cal Eligibility Data System (MEDS), Fiscal Intermediary Access to Medi-Cal Eligibility (FAME), claims and data files.

CMS requires the State to submit a monthly file of dual eligibles for verification processing. A new process will capture Medicare Part D eligibility data from MEDS and create the verification file for CMS processing. CMS is providing a return file with Part D eligibility and enrollment data.

The Department has entered into several contracts totaling \$2,090,000 (10% GF/90% FFP) for the implementation of these changes. The federal government has agreed to fund these costs at 90%. In FY 2004-05, \$50,000 was spent for these system changes. The costs for the remaining \$2,040,000 are expected to be incurred during FY 2005-06. Due to lags in the payments, \$1,490,000 is expected to be paid in FY 2005-06 and the remaining \$550,000 in FY 2006-07.

Due to CMS requirement changes, the Department is entering into additional contracts. Also included are enhanced documentation and procedures for MEDS and its subsystems, incorporating the changes needed for Part D with work for operational support. These changes are estimated to cost an additional \$2,158,000 TF in FY 2006-07 and are anticipated to be 10% GF/90% FFP, for a total expenditure of \$2,708,000 in FY 2006-07.

	Expenditures
FY 2004-05	\$50,000
FY 2005-06	\$1,490,000
FY 2006-07	\$550,000
FY 2006-07 new	\$2,158,000
FY 2006-07 total	\$2,708,000

SSA COSTS FOR HEALTH COVERAGE INFO.

OTHER ADMIN. POLICY CHANGE NUMBER: 16

IMPLEMENTATION DATE: 1/1989

ANALYST: Jenn Brooks

FISCAL REFERENCE NUMBER: 237

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$1,390,000	\$1,460,000
STATE FUNDS	\$695,000	\$730,000
FEDERAL FUNDS	\$695,000	\$730,000

DESCRIPTION

The Social Security Administration (SSA) obtains information about health coverage and assignment of rights to medical coverage from SSI/SSP recipients. The Department uses the information to defer medical costs to other payors. SSA bills the Department quarterly for this activity.

Cash Basis	FY 2005-06	FY 2006-07
SSA Total Funds	\$1,390,000	\$1,460,000
General Funds	\$695,000	\$730,000

:

IMMUNIZATION REGISTRY

OTHER ADMIN. POLICY CHANGE NUMBER: 17
IMPLEMENTATION DATE: 7/20

IMPLEMENTATION DATE: 7/2005 ANALYST: Julie Chan

FISCAL REFERENCE NUMBER: 1077

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$1,188,000	\$1,260,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$1,188,000	\$1,260,000

DESCRIPTION

Immunization services are required for Medi-Cal eligibles based on the Title XIX Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) provisions. California Health and Safety Code Section 120440 governs the operation of immunization registries, secure databases of childhood vaccination records that allow medical providers to identify and vaccinate all under-immunized children, including those assisted by Medi-Cal and CHDP. CMS has determined that funds to operate immunization registries are eligible for a 50% match for Medi-Cal related activities under Title XIX, Section 1903(a) (7). Therefore, beginning in FY 2005-06, the Department will claim Title XIX FFP for the Medi-Cal related costs of operating an immunization registry.

Assumptions:

- 1. The Department currently allocates \$3,500,000 in Local Assistance GF in the 4260-111 Item for the operation of the nine regional registries run by local health departments. This policy change will budget only the matching Title XIX FFP.
- 2. 72% of children currently in the registry received their vaccinations from public providers. Nearly all of them are Medi-Cal eligible. Therefore, assume that 72% of the \$3,500,000 can be matched by FFP.

Accrual Basis

Amount eligible for FFP Match: $\$3,500,000 \times 0.72 = \$2,520,000$

FFP to be budgeted: \$2,520,000/2 = \$1,260,000 annually

Cash Basis:

FY 2005-06 \$1,188,000 FY 2006-07 \$1,260,000

SAN DIEGO CO. ADMINISTRATIVE ACTIVITIES

OTHER ADMIN. POLICY CHANGE NUMBER: 18

IMPLEMENTATION DATE: 7/2002

ANALYST: Shelley Stankeivicz

FISCAL REFERENCE NUMBER: 258

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$950,000	\$950,000
STATE FUNDS	\$475,000	\$475,000
FEDERAL FUNDS	\$475,000	\$475,000

DESCRIPTION

The County of San Diego provides administrative services for the San Diego Geographic Managed Care program. These administrative activities include the health care options presentations, explaining the enrollment and disenrollment process, customer assistance and problem resolution. For these services, the county bills Medi-Cal for staff and other reimbursable items including postage, printing, data center access, travel, etc.

The contract with San Diego was renewed effective July 1, 2005. The projected cost is \$950,000.

San Diego Contract #99-86026, FY 2005-06 and FY 2006-07.

FY 2005-06 FY 2006-07
Administrative Activities \$950,000 \$950,000

FAMILY PACT PROVIDER EDUC.-SUPPORT SVCS.

OTHER ADMIN. POLICY CHANGE NUMBER: 19

IMPLEMENTATION DATE: 12/1999

ANALYST: Cheri Johnson

FISCAL REFERENCE NUMBER: 248

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$945,000	\$945,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$945,000	\$945,000

DESCRIPTION

The Family PACT Medicaid Waiver Demonstration Project has two main objectives. One is to increase the client numbers in targeted populations of adolescents, males, and medically underserved women. The other is to increase the number of providers who serve those clients. A formal plan for provider recruitment, education, and support is a requirement under the terms and conditions of the waiver. CDHS education and support services are provided to the Family PACT providers, and include: public awareness; provider enrollment, recruitment and training; training and technical assistance for medical and non-medical staff; education and counseling services; preventive clinical services; sexually transmitted infection/HIV training and technical assistance services; and the 800 referral number. The Office of Family Planning (OFP) contracts with a variety of entities to provide these services.

This policy change provides the Title XIX 50% federal Medicaid funds for education and support services. The OFP provides the 50% General Fund match in Item 4260-111-0001.

DISEASE MANAGEMENT PROGRAM

OTHER ADMIN. POLICY CHANGE NUMBER: 20
IMPLEMENTATION DATE: 6/2006
ANALYST: Julie Chan
FISCAL REFERENCE NUMBER: 1002

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$83,000	\$5,500,000
STATE FUNDS	\$41,500	\$2,750,000
FEDERAL FUNDS	\$41,500	\$2,750,000

DESCRIPTION

Welfare and Institutions Code Section 14132.27 requires the Department to apply for a federal waiver to test the efficacy of providing a disease management benefit to fee-for-service Medi-Cal beneficiaries. The effectiveness of this benefit includes demonstration of the cost neutrality of the Disease Management (DM) Waiver. To achieve this goal, the Department will enter into contracts with one disease management organization. One contract will cover the following conditions: Advanced Atherosclerotic Disease Syndrom, Asthma, Coronary Artery Disease, Diabetes and Chronic Obstructive Pulmonary Disease (DM1). A second contract will focus on HIV/AIDS separately (DM2). An independent assessment for DM1 is estimated to begin in June 2006.

Assumptions:

- 1. The DM contract (DM1) for Advanced Atherosclerotic Disease Syndrom, Asthma, Coronary Artery Disease, Diabetes and Chronic Obstructive Pulmonary Disease is expected to be awarded on August 1, 2006. Payments are expected to begin to begin Oct. 1, 2006.
- 2. Payment for HIV/AIDS (DM2) beneficiary services will begin Jan. 1, 2007.
- 3. Each contract is capped at \$4,000,000 per year for 3 years of beneficiary services (total of \$12,000,000 per contract).
- 4. The assessment is capped at \$1,500,000 over the life of project.
- 5. The assessment start-up costs will begin in FY 2005-06.

Contract	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10
DM1	\$0	\$3,000,000	\$4,000,000	\$4,000,000	\$1,000,000
DM2	\$0	\$2,000,000	\$4,000,000	\$4,000,000	\$2,000,000
Assessment	\$83,000	\$500,000	\$300,000	\$217,000	\$400,000
Total	\$83,000	\$5,500,000	\$8,300,000	\$8,217,000	\$3,400,000

MIS/DSS CONTRACT PROCUREMENT

OTHER ADMIN. POLICY CHANGE NUMBER: 21

IMPLEMENTATION DATE: 6/2005

ANALYST: Jenn Brooks

FISCAL REFERENCE NUMBER: 1050

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$204,000	\$255,000
STATE FUNDS	\$51,000	\$63,750
FEDERAL FUNDS	\$153,000	\$191,250

DESCRIPTION

The current contract with Medstat expires on April 16, 2006. CDHS has initiated procurement activities for a new, competitively bid contract to transfer, enhance, operate and maintain the MIS/DSS. The Request for Proposal (RFP) was released in September 2005. A new, four-year MIS/DSS contract, with three potential one-year extensions, is expected to be executed by June 10, 2006.

To insure that the procurement is completed in an efficient and timely manner, an acquisition consultant has been engaged to coordinate procurement activities, which are being conducted by the California Department of General Services. CDHS engaged an independent procurement oversight consultant (IPOC) in January 2006, and will engage an independent verification and validation (IV&V) contractor in May 2006 to provide oversight of the procurement and system transfer processes.

CMS has approved enhanced funding for this project at 75% FFP. CDHS will submit an implementation APD requesting 90% FFP for procurement and enhancement activities, and 75% FFP for ongoing operational costs. This estimate reflects currently approved funding levels.

	FY 2005-06		FY 2006-07	
	TF	GF	TF	GF
Acquisition Consultant	\$124,000	\$31,000	\$0	\$0
Indep. Proc. Consultant	\$30,000	\$7,500	\$55,000	\$13,750
IV&V Contractor	\$50,000	\$12,500	\$200,000	\$50,000
Total	\$204,000	\$51,000	\$255,000	\$63,750

TAR POSTAGE

OTHER ADMIN. POLICY CHANGE NUMBER: 22

IMPLEMENTATION DATE: 7/2003 ANALYST: Julie Chan

FISCAL REFERENCE NUMBER: 267

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$410,000	\$418,000
STATE FUNDS	\$205,000	\$209,000
FEDERAL FUNDS	\$205,000	\$209,000

DESCRIPTION

Postage and printing costs may be charged to local assistance for items sent to or used by Medi-Cal beneficiaries. Postage costs related to mailing treatment authorization request (TAR)-related documents to providers and beneficiaries are budgeted in this policy change.

Assumptions:

- 1. TAR-related expenditures in FY 2004-05 for Medi-Cal were \$410,000. Assume the same purchase amount for FY 2005-06.
- 2. For FY 2006-07, assume TAR-related postage purchases will increase 2%, based on a 2% projected increase in the number of TARS.

FY 2006-07: \$410,000 x 1.02 = \$418,000

CHILDREN'S OUTREACH INITIATIVE

OTHER ADMIN. POLICY CHANGE NUMBER: 23

IMPLEMENTATION DATE: 7/2006

ANALYST: Cheri Johnson

FISCAL REFERENCE NUMBER: 1061

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$0	\$23,310,000
STATE FUNDS	\$0	\$9,971,700
FEDERAL FUNDS	\$ 0	\$13,338,300

DESCRIPTION

Despite increases in Medi-Cal applicants and Healthy Families Program (HFP) enrollment over the past several years, a number of California children continue to have no health care coverage. Many of these children would be eligible for Medi-Cal or HFP, but have not pursued coverage. If the State can persuade families to apply or enroll, the number of children without health care coverage in California would be reduced.

The Department will engage in three activities to increase participation in the public programs:

 County Initiatives. The Department will allocate funding to the 20 counties with the greatest number of uninsured children and the highest Medi-Cal and Healthy Families caseload to partner with public and private community organizations for outreach, streamline enrollment, retention of health coverage, and appropriate utilization of health care; and from 5 to 10 other counties that have established community networks and infrastructures.

Medi-Cal: \$10,711,000 (\$5,355,500 GF); HFP*: \$8,974,000 (\$3,141,000 GF)

2. Media Campaign. The media campaign will work in coordination with county outreach to target the families which have children with no health care coverage and are likely to be eligible for the public programs.

Medi-Cal: \$1,127,000 (\$563,500 GF); HFP*: \$2,248,00 (\$787,000 GF)

3. Toll-free Telephone Line. The Medi-Cal/HFP toll-free line will be augmented to handle the increased volume of calls generated by the media campaign and county initiative activities. Medi-Cal: \$250,000 (\$125,000 GF)

FY 2006-07 Total Outreach Expenditures:

Total	\$23,310,000	(\$9,971,700 GF)
HFP*	\$11,222,000	(\$3,927,700 GF)
Medi-Cal	\$12,088,000	(\$6,044,000 GF)

^{*}HFP is a Title XXI program with enhanced FFP of 65.00%.

These costs are budgeted in 4260-113-0001/0890.

SPD EDUCATION AND OUTREACH

OTHER ADMIN. POLICY CHANGE NUMBER: 24

IMPLEMENTATION DATE: 6/2007

ANALYST: Shelley Stankeivicz

FISCAL REFERENCE NUMBER: 1081

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$0	\$1,100,000
STATE FUNDS	\$ 0	\$550,000
FEDERAL FUNDS	\$0	\$550,000

DESCRIPTION

As part of the Governor's Budget proposal to target barriers to enrollment of seniors and persons with disabilities (SPDs) into managed care, the budget includes funding for the Department to enter into an interagency agreement for education and outreach activities to increase the voluntary enrollment of Medi-Cal SPDs in all managed care counties.

Focused resources, a variety of information in alternative formats, and an increase in application assistors with an emphasis on outreach efforts within the community are expected to increase awareness and voluntary enrollments into managed care.

The cost of the interagency agreement is estimated to be \$1,100,000 (\$550,000 GF) in both FYs 2006-07 and 2007-08.

CONTINUOUS NURSING CARE PILOT PROJECT

OTHER ADMIN. POLICY CHANGE NUMBER: 25
IMPLEMENTATION DATE: 7/2006
ANALYST: Julie Chan

FISCAL REFERENCE NUMBER: 268

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$0	\$250,000
STATE FUNDS	\$ 0	\$125,000
FEDERAL FUNDS	\$0	\$125,000

DESCRIPTION

AB 359 (Chapter 845, Statutes of 1999) requires the Department to establish a Section 1915 (b) waiver pilot program to provide continuous 24-hour nursing care to developmentally disabled individuals in the least restrictive setting. CMS has approved the waiver for two additional years, effective October 1, 2005, through September 30, 2007. The Department submitted the independent assessment required for the renewal in July 2005 upon receipt from the California Department of Finance.

The Department is budgeting \$250,000 (\$125,000 GF) in FY 2006-07 for a final independent assessment to determine the feasibility and cost effectiveness of establishing the Intermediate Care Facility for the Developmentally Disabled-Continuous Nursing as a permanent new provider type.

PERSONAL CARE SERVICES

OTHER ADMIN. POLICY CHANGE NUMBER: 26
IMPLEMENTATION DATE: 4/1993
ANALYST: Julie Chan

FISCAL REFERENCE NUMBER: 236

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$162,022,000	\$175,136,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$162,022,000	\$175,136,000

DESCRIPTION

The California Department of Health Services provides Title XIX federal financial participation (FFP) to the California Department of Social Services (CDSS), via interagency agreements (IAs), for the county cost of administering the In-Home Supportive Services Personal Care Services Program (PCSP). The Medi-Cal program includes PCS in its schedule of benefits.

The estimates below were provided by CDSS.

This policy change reflects FMAP updates.

FY 2005-06	CDHS FFP	CDSS GF Match	County Motob	IA#
F1 2005-06	CDU2 LLL	Match	County Match	IA#
EW Time & Health Related				03-75676
Accrual Basis	\$157,972,000			
Cash Basis	\$162,022,000	\$113,415,000	\$48,607,000	
		CDSS GF		
FY 2006-07	CDHS FFP	Match	County Match	IA#
EW Time & Health Related				03-75676
Accrual Basis	\$175,136,000			
Cash Basis	\$175,136,000	\$122,595,000	\$52,541,000	

DEPARTMENT OF MENTAL HEALTH ADMIN. COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 27

IMPLEMENTATION DATE: 7/1997

ANALYST: Jenn Brooks

FISCAL REFERENCE NUMBER: 255

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$146,787,000	\$141,152,000
STATE FUNDS	\$106,000	\$0
FEDERAL FUNDS	\$146,681,000	\$141,152,000

DESCRIPTION

This policy change includes the administrative costs for the California Department of Mental Health (CDMH) for specialty mental health services provided to Medi-Cal eligibles. This policy change budgets FFP and CDHS-GF only.

(Dollars in Thousands)

CASH BASIS			
		CDHS-	
2005-06	TF	GF	FFP
EPSDT-TBS			
Admin.	\$212	\$106	\$106
Admin. Costs	18,550	0	18,550
MC Admin. Activ.	14,425	0	14,425
HIPAA (1)	1,075	0	1,075
Healthy Families(2)	1,434	0	1,434
Quality Assurance	11,000	0	11,000
County Admin.	94,000	0	94,000
PASRR LvI II			
Screens	6,091	0	6,091
Total	\$146.787	\$106	\$146,681

		CDHS-	
2006-07	TF	GF	FFP
EPSDT-TBS			
Admin.	\$106	\$0	\$106
Admin. Costs	12,791	0	12,791
MC Admin. Activ.	14,425	0	14,425
HIPAA (1)	1,102	0	1,102
Healthy Families(2)	1,615	0	1,615
Quality Assurance	11,000	0	11,000
County Admin.	94,000	0	94,000
PASRR LvI II			
Screens	6,113	0	6,113
Total	\$141,152	\$0	\$141,152

DEPARTMENT OF MENTAL HEALTH ADMIN. COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 27

County funds not included in the TF above; \$120,187,000 for CY, and \$120,254,000 for BY.

CDMH General Funds not included in the TF above: \$21,655,000 for CY, and \$16,037,000 for BY.

- *(1) HIPAA FFP costs of \$1,075,000 for FY 05-06 and \$1,102,000 for FY 06-07 are budgeted in Item 4260-117-0890.
- *(2) Healthy Families FFP costs of \$1,434,000 for FY 05-06 and \$1,615,000 for FY 06-07 are budgeted in Item 4260-113-0890.

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HEALTH RELATED ACTIVITIES/TITLE XIX

OTHER ADMIN. POLICY CHANGE NUMBER: 28
IMPLEMENTATION DATE: 7/1992
ANALYST: Julie Chan

FISCAL REFERENCE NUMBER: 233

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$117,577,000	\$96,882,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$117,577,000	\$96,882,000

DESCRIPTION

The California Department of Health Services provides Title XIX federal financial participation (FFP) to the California Department of Social Services (CDSS), via interagency agreements (IAs), for certain health-related activities provided by county social workers. The services involve helping Medi-Cal eligible adults to access covered medical services or maintain current treatment levels in these program areas: 1) Child Welfare Services (CWS); 2) County Services Block Grant (CSBG); & 3) Adult Protective Services (APS).

The estimates below were provided by CDSS.

This policy change reflects FMAP updates.

IA # 01-15931

	FY 2005-06 CDHS FFP	FY 2006-07 CDHS FFP
Accrual Basis		
CWS	\$48,729,000	\$53,461,000
CSBG	\$10,908,000	\$10,908,000
APS	\$34,486,000	\$34,486,000
TOTAL	\$94,123,000	\$98,855,000

		CDSS	
FY 2005-06	CDHS FFP	GF Match	County Match
Cash Basis			
CWS	\$61,132,000	\$39,623,000	\$16,981,000
CSBG	\$14,123,000	\$6,790,000	\$6,790,000
APS	\$42,322,000	\$39,067,000	\$0
TOTAL	\$117,577,000	\$85,480,000	\$23,771,000

HEALTH RELATED ACTIVITIES/TITLE XIX

OTHER ADMIN. POLICY CHANGE NUMBER: 28

	CDSS		
FY 2006-07	CDHS FFP	GF Match	County Match
Cash Basis			
CWS	\$52,242,000	\$33,860,000	\$14,512,000
CSBG	\$10,686,000	\$5,138,000	\$5,138,000
APS	\$33,954,000	\$31,342,000	\$0
TOTAL	\$96,882,000	\$70,340,000	\$19,650,000

CDDS ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 29
IMPLEMENTATION DATE: 7/1997
ANALYST: Betty Lai
FISCAL REFERENCE NUMBER: 243

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$28,300,000	\$27,496,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$28,300,000	\$27,496,000

DESCRIPTION

The Calif. Department of Developmental Services provides the following estimates of its administrative cost components:

- 1. Developmental Centers' (DC) Medi-Cal Administration
- 2. Developmental Centers' Medi-Cal Eligibility Contract
- 3. Home & Community-Based Services (HCBS) Waiver Administration
- 4. Regional Centers' (RC) Medicaid Administration
- 5. Regional Centers' Nursing Home Reform
- 6. Targeted Case Management (TCM)

CDDS ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 29

		FY 2006-07	
(Dollars in Thousands)	FFP	FFP	Number
ACCRUAL BASIS			
1. DC Medi-Cal Admin.	\$5,295	\$5,312	03-75283
DC HIPAA	150	151	03-75283
SOSF Medi-Cal Admin.	133	136	03-75282
SOSF HIPAA	29	28	03-75282
2. DC/SOSF MC Elig. Contract	603	603	01-15378 A1
HCBS Waiver HQ Admin.	3,740	3,854	01-15834
HCBS Waiver RC Admin.	1,451	1,451	01-15834
4. RC Medicaid Admin.	11,939	13,574	03-75734
5. RC Nursing Home Reform	64	64	03-75285
6. TCM Headquarters Admin.	317	317	03-75284
TCM RC Admin.	2,875	2,875	03-75284
TCM RC HIPAA	708	708	03-75284
Total	27,304	29,073	
CASH BASIS			
1. DC/SOSF Medi-Cal Admin.	\$5,440	\$5,454	03-75282/83
DC/SOSF HIPAA	179	179	03-75282/83
2. DC/SOSF MC Elig. Contract	603	603	01-15378
3. HCBS Waiver Admin.	5,091	5,357	
4. RC Medicaid Admin.	11,109	11,939	
5. RC Nursing Home Reform	70	64	03-75285
6. TCM HQ Admin.	358	317	
TCM RC Admin.	3,503	2,875	03-75284
TCM HIPAA	1,947	708	03-75284
Total	28,300	27,496	30 10 2 0-

HIPAA is budgeted in the Medi-Cal budget item 4260-117-0890.

PUBLIC HEALTH NURSES FOR FOSTER CARE

OTHER ADMIN. POLICY CHANGE NUMBER: 30
IMPLEMENTATION DATE: 7/1999
ANALYST: Julie Chan

FISCAL REFERENCE NUMBER: 246

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$17,675,000	\$17,499,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$17,675,000	\$17,499,000

DESCRIPTION

The Budget Act of 1999 authorized the California Department of Social Services (CDSS) to establish a program whereby foster care public health nurses would help foster care children access health-related services. This program is administered by the CDHS Children's Medical Services Branch. The public health nurses are employed by the counties. The General Fund is budgeted in the CDSS budget.

CDHS provides Title XIX federal financial participation to CDSS via Interagency Agreement (IA) #04-35913. An IA renewal is in process.

DEPT. OF ALCOHOL AND DRUG ADMIN. COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 31
IMPLEMENTATION DATE: 7/1997

ANALYST: Julie Chan

FISCAL REFERENCE NUMBER: 254

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$4,462,000	\$4,797,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$4,462,000	\$4,797,000

DESCRIPTION

This policy change includes the Title XIX funding for the California Department of Alcohol and Drug Programs' (CDADP) administrative costs related to services provided to Medi-Cal beneficiaries.

Following is the cash estimate provided by the CDADP:

(Dollars in Thousands)

(20.00.0		•,		
		FY 2005-06		
	TF	CDADP GF	FFP	Contract #
Support	\$6,788	\$3,282	\$3,505	01-15938
HIPAA*	\$2,069	\$1,112	\$957	01-15938
Total	\$8,857	\$4,394	\$4,462	
		FY 2006-07		
	TF	CDADP GF	FFP	Contract #
Support	\$7,672	\$3,836	\$3,836	01-15938
HIPAA*	\$1,793	\$832	\$961	01-15938
Total	\$9,465	\$4,668	\$4,797	

^{*} HIPAA costs are budgeted in Item 4260-117-0890.

DEPARTMENT OF SOCIAL SERVICES ADMIN COST

OTHER ADMIN. POLICY CHANGE NUMBER: 32
IMPLEMENTATION DATE: 7/2002
ANALYST: Julie Chan

FISCAL REFERENCE NUMBER: 256

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$4,395,000	\$3,522,000
STATE FUNDS	\$ 0	\$0
FEDERAL FUNDS	\$4,395,000	\$3,522,000

DESCRIPTION

The California Department of Health Services provides Title XIX federal financial participation (FFP) to the California Department of Social Services (CDSS), via interagency agreements (IAs), for the administrative costs of services provided to Medi-Cal beneficiaries regarding In-Home Supportive Services Personal Care Services Program (IHSS PCSP) and Case Management & Information Payrolling System (CMIPS). CDSS budgets the matching GF.

The estimates below were provided by CDSS, based on actual costs in the prior year.

This policy change reflects FMAP updates.

	FY 2005-06	FY 2006-07	
Accrual Basis:	CDHS FFP	CDHS FFP	IA#
IHSS PCSP	\$1,720,000	\$2,318,000	03-75676
IHSS Health Related	\$6,000	\$6,000	01-15931
IHSS Plus Waiver	\$1,584,000	\$1,218,000	04-35840
TOTAL	\$3,310,000	\$3,542,000	

Cash Basis:	FY 2005-06 CDHS FFP	FY 2005-06 CDSS GF Match	FY 2006-07 CDHS FFP	FY 2006-07 CDSS GF Match	IA#
IHSS PCSP	\$2,164,000	\$2,164,000	\$2,268,000	\$2,268,000	03-75676
IHSS Health Related	\$9,000	\$9,000	\$6,000	\$6,000	01-15931
IHSS Plus Waiver	\$2,222,000	\$2,222,000	\$1,248,000	\$1,248,000	04-35840
TOTAL	\$4,395,000	\$4,395,000	\$3,522,000	\$3,522,000	

DEPARTMENT OF AGING ADMINISTRATIVE COSTS

OTHER ADMIN. POLICY CHANGE NUMBER: 33

IMPLEMENTATION DATE: 7/1984

ANALYST: Shelley Stankeivicz

FISCAL REFERENCE NUMBER: 253

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$3,344,000	\$3,555,000
STATE FUNDS	\$ 0	\$0
FEDERAL FUNDS	\$3,344,000	\$3,555,000

DESCRIPTION

This policy change includes the Title XIX funding for the California Department of Aging's (CDA's) administrative costs related to services provided by the Adult Day Health Care Program and the Multipurpose Senior Services Program to Medi-Cal eligibles.

(in thousands)	FY 20	05-06	FY 20	06-07	IA#
Accrual Basis	FFP	CDA GF	FFP	CDA GF	
ADHC Support	\$2,024	\$1,786	\$2,313	\$1,915	01-16091
MSSP Support	1,226	1,214	1,272	1,185	01-15976
Total	\$3,250	\$3000	\$3,585	\$3,100	
	FY 20	05-06	FY 20	06-07	
Cash Basis	FFP	CDA GF	FFP	CDA GF	
ADHC Support					
FY 04-05 DOS	\$419	\$411			
FY 05-06 DOS	\$1,822	\$1,607	\$202	\$179	
FY 06-07 DOS			\$2,082	\$1,723	
MSSP Support					
FY 05-06 DOS	\$1,103	\$1,093	\$123	\$121	
FY 06-07 DOS			\$1,148	\$1,063	
Total	\$3,344	\$3,111	\$3,555	\$3,086	

OUTREACH - CHILDREN

OTHER ADMIN. POLICY CHANGE NUMBER: 34

IMPLEMENTATION DATE: 7/1997

ANALYST: Cheri Johnson

FISCAL REFERENCE NUMBER: 242

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$1,796,000	\$2,631,000
STATE FUNDS	\$650,000	\$650,000
FEDERAL FUNDS	\$1,146,000	\$1,981,000

DESCRIPTION

The Budget Act of 1997 established funding for children's outreach. Activities include advertising, community and school-based outreach, application assistance, materials, toll-free line, etc.

The Budget Act of 2003 limited outreach funding to a toll-free line. MAXIMUS, a contract vendor for MRMIB, began carrying out the toll-free line activity starting in January 2004.

The Budget Act of 2005 included funding for the reinstatement of certified application assistance (CAA) fees. Effective July 1, 2005, the Interagency Agreement with MRMIB has been amended to include the Title XIX federal financial participation (FFP) for Medi-Cal costs for CAA fees for children placed on accelerated enrollment, and for the Medi-Cal related costs of processing the application assistance payments. The General Fund (GF) is budgeted by MRMIB.

Assumptions:

1. For the toll-free line, CDHS budgets both Title XIX FFP and GF.

FY 2005-06: \$1,300,000 (\$650,000 GF)

FY 2006-07: \$1,300,000 (\$650,000 GF)

- 2. Beginning in FY 2005-06, MRMIB budgets the GF for the CAA fees and processing costs for Medi-Cal applications. Only Title XIX FFP is reflected in the Medi-Cal budget.
- CAA fees are \$50 for Medi-Cal applications, plus a \$25 premium for Health-e-Applications (HeA).
 HeA assistance is scheduled to begin July 1, 2006. Based on estimates provided by MRMIB,
 costs are expected to be:

FY 2005-06: 1,487 applications/month x \$50 x 12 months =

\$892,200 (\$446,100 FFP)

FY 2006-07: 3,356 applications/month x \$50 x 12 months =

\$2,013,600 (\$1,006,800 FFP)

2,164 applications/month x \$25 x 12 months =

\$649,200 (\$324,600 FFP)

4. Processing costs:

FY 2005-06: \$50,100 (\$50,100 FFP)

FY 2006-07: \$0 (\$0 FFP)

OUTREACH - CHILDREN

OTHER ADMIN. POLICY CHANGE NUMBER: 34

5. Total DHS budget (in thousands):

	FY	2005-06	5	FY	2006-07	7
_	TF	GF	FFP	TF	GF	FFP
Toll-Free Line	\$1,300	\$650	\$650	\$1,300	\$650	\$650
CAA Fees	\$446	\$0	\$446	\$1,331	\$0	\$1,331
Processing	\$50	\$0	\$50	\$0	\$0	\$0
Total	\$1,796	\$650	\$1,146	\$2,631	\$650	\$1,981

SINGLE POINT OF ENTRY - MEDI-CAL/HFP

OTHER ADMIN. POLICY CHANGE NUMBER: 35

IMPLEMENTATION DATE: 4/1999

ANALYST: Cheri Johnson

FISCAL REFERENCE NUMBER: 245

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$2,009,000	\$2,215,000
STATE FUNDS	\$ 0	\$0
FEDERAL FUNDS	\$2,009,000	\$2,215,000

DESCRIPTION

The California Department of Health Services (CDHS) and Managed Risk Medical Insurance Board (MRMIB) use a joint Medi-Cal and Healthy Families Program (HFP) mail-in application for health coverage. Completed applications are sent to MAXIMUS which, by contract with MRMIB, is the Single Point of Entry (SPE), to screen the applications and send them to county welfare departments (CWDs) for Medi-Cal, or to MRMIB for HFP. MRMIB carries the General Fund cost in its budget. CDHS carries the Title XIX federal funds for the Medi-Cal applications, which MRMIB is reimbursed through an Interagency Agreement with CDHS.

This policy change includes CHDP Gateway application processing. To help ensure that all children have access to medical care, the Child Health & Disability Prevention (CHDP) Gateway program was implemented July 1, 2003. Through this program, children who receive a CHDP screen are preenrolled (PE) in Medi-Cal or HFP. Each PE child's family that indicates a desire for ongoing Medi-Cal/HFP coverage is sent an application. The application is returned to the SPE, then forwarded to the CWD or MRMIB for final eligibility determination.

New data elements on the revised joint Medi-Cal/HFP application will require systems enhancements at the SPE. The additional cost for systems enhancements will be a one-time development cost in the CY and the BY. CDHS will pay for the federal Title XIX share of this cost via an interagency agreement with MRMIB.

Assumptions:

- 1. This estimate is based on actual usage of the Medi-Cal/HFP application; and actual processing, postage, and vendor contract rates and services.
- 2. MRMIB estimates the number of applications forwarded to CWDs for Medi-Cal only processing, and the federal funding of ongoing SPE costs for those applications.
- 3. Telephone services and pre-printed application costs are based on the average actual ratio of Medi-Cal to HFP applications reported by MAXIMUS in March 2006 (32% to 68%).
- 4. MRMIB estimates the one-time development cost for systems enhancements, and the federal funding for this cost.

SINGLE POINT OF ENTRY - MEDI-CAL/HFP

OTHER ADMIN. POLICY CHANGE NUMBER: 35

	FY 2005-06	FY 2006-07
Applications for M/C processing:	138,933	157,509
FFP for Ongoing SPE Costs:		
Processing/Mailing Applications	\$1,348,000	\$1,498,000
Telephone Services	\$630,000	\$677,000
Pre-Printed Applications	\$20,000	\$24,000
FFP for One-Time SPE Cost:	\$11,000	\$16,000
Total FFP	\$2,009,000	\$2,215,000

BABY WELCOME KITS

OTHER ADMIN. POLICY CHANGE NUMBER: 36

IMPLEMENTATION DATE: 7/2001

FISCAL REFERENCE NUMBER: 249

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$1,385,000	\$1,453,000
STATE FUNDS	\$ 0	\$0
FEDERAL FUNDS	\$1,385,000	\$1,453,000

Jenn Brooks

DESCRIPTION

ANALYST:

Beginning in November 2001, Title XIX federal financial participation will be claimed for the "Welcome Kits" distributed to parents of Medi-Cal eligible newborns by the California Children and Families Commission (CCFC) (Proposition 10).

The California Department of Health Services has an Interagency Agreement with CCFC to provide federal matching funds. The contract number is 03-76097.

Assumptions:

- 1. CCFC will distribute 400,000 kits per year in FY 2005-06 and FY 2006-07.
- 2. Each kit contains six video tapes, a book, and a guide.
- 3. The kit costs \$15.14 through April 2006 and \$16.14 thereafter.
- 4. Approximately 45% of the kits are expected to be distributed to Medi-Cal eligible newborns.

FY 2005-06 Calculation

400,000 kits x .45 x \$15.14 / 12 x 9 =	\$2,043,900	
400,000 kits x .45 x \$16.14 / 12 x 3 =	\$ 726,300	
	\$2,770,000	Total Costs
	\$1,385,000	FFP Costs

FY 2006-07 Calculation

$400,000 \text{ kits } x $16.14 \times .45 =$	\$2,906,000	Total Costs
	\$1,453,000	FFP Costs

VETERANS BENEFITS

OTHER ADMIN. POLICY CHANGE NUMBER: 37

IMPLEMENTATION DATE: 12/1988
ANALYST: Jenn Brooks

FISCAL REFERENCE NUMBER: 232

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$956,000	\$956,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$956,000	\$956,000

DESCRIPTION

The California Department of Health Services has an interagency agreement which provides federal matching funds to the California Department of Veterans Affairs (CDVA), subsequently to be distributed to County Veteran Services Offices (CVSO), for identifying veterans with VA benefits. This is a process of avoiding costs for the Medi-Cal program by identifying available VA benefits and referring the veterans to utilize those benefits instead of Medi-Cal.

The actual contract amount for FY 2005-06 is \$956,000 per year, and the estimated contract amount for FY 2006-07 is \$956,000 per year.

Payments through the interagency agreement will be for the federal funds. Starting in FY 2004-05, billings and payments occur quarterly.

CDVA contract number for FY 2005-06 is 05-45717.

CDVA contract number for FY 2006-07 is 06-55062.

Cash Basis	FY 2005-06	FY 2006-07
Administrative	\$118,000	\$118,000
Workload Units	\$838,000	\$838,000
Total	\$956,000	\$956,000

AGENCY HIPAA FUNDING

OTHER ADMIN. POLICY CHANGE NUMBER: 38

IMPLEMENTATION DATE: 7/2001

ANALYST: Jenn Brooks

FISCAL REFERENCE NUMBER: 257

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$875,000	\$700,000
STATE FUNDS	\$ 0	\$0
FEDERAL FUNDS	\$875,000	\$700,000

DESCRIPTION

In order to meet the requirements of the Health Insurance Portability and Accountability Act (HIPAA) and ensure that its provisions are applied uniformly in the impacted programs, a HIPAA office has been established at the Health and Human Services Agency. Title XIX federal financial participation is available for HIPAA activities related to Medi-Cal. This policy change is 100% FFP.

The federal funds are budgeted in Item 4260-117-0890.

Cash Basis	FY 2005-06	FY 2006-07
Agency HIPAA Funding	\$700,000	\$700,000
2004-05 Carryover	\$175,000	\$0
Total	\$875,000	\$700,000

STATE HOSPITAL ELIGIBILITY ACTIVITIES

OTHER ADMIN. POLICY CHANGE NUMBER: 39

IMPLEMENTATION DATE: 7/2000

ANALYST: Jenn Brooks

FISCAL REFERENCE NUMBER: 250

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$506,000	\$245,000
STATE FUNDS	\$253,000	\$0
FEDERAL FUNDS	\$253,000	\$245,000

DESCRIPTION

The Medi-Cal Program is funding administrative activities at Napa State Hospital and Metropolitan State Hospital in order to ensure that patients in the hospital receive any assistance necessary to gather data needed for the determination of Medi-Cal eligibility, and to insure compliance with Medi-Cal requirements.

As of FY 2006-07, CDHS will no longer budget GF for this policy change. The GF will be included in the CDMH budget.

Contract #03-75690 with CDMH-Napa State Hospital: The term of this Agreement began July 1, 2003 and is in effect until cancelled or terminated per W&I code 14000.03.

Contract #02-25275 with CDMH-Metropolitan State Hospital: The term of this Agreement began July 1, 2002 and is in effect until cancelled or terminated per W&I code 14000.03.

Cash Basis	FY 2005-06	FY 2006-07
Napa State Hospital	\$236,000	\$115,500
Metropolitan State Hospital	\$270,000	\$129,500
Total	\$506,000	\$245,000

MERIT SYSTEM SERVICES FOR COUNTIES

OTHER ADMIN. POLICY CHANGE NUMBER: 40
IMPLEMENTATION DATE: 7/2003
ANALYST: Betty Lai
FISCAL REFERENCE NUMBER: 263

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$193,000	\$209,000
STATE FUNDS	\$96,500	\$104,500
FEDERAL FUNDS	\$96,500	\$104,500

DESCRIPTION

Federal regulations require that any government agency that receives federal funds have a civil service exam, classification, and pay process. Many counties do not have a civil service system, so the State established Merit System Services, under the State Personnel Board, to perform as a personnel board for the 30 counties that do not have one. In addition, the Board reviews the merit systems in the other 28 counties to ensure that they meet federal civil service requirements.

The State Personnel Board is reimbursed by CDHS via a contract/interagency agreement for Merit System Services. The terms of the contract are that it continues indefinitely, until terminated, or until there is a change in scope of work affecting the cost.

FY 2005-06 FY 2006-07

Contract # 03-75683 **\$193,000 (\$96,500 GF) \$209,000 (\$104,500 GF)**

Last Refresh Date: 5/10/2006

COHS REBATE RECONCILIATION

OTHER ADMIN. POLICY CHANGE NUMBER: 41

IMPLEMENTATION DATE: 7/2006

ANALYST: Karen Fairgrieves

FISCAL REFERENCE NUMBER: 1101

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$0	\$212,000
STATE FUNDS	\$ 0	\$53,000
FEDERAL FUNDS	\$0	\$159,000

DESCRIPTION

To increase drug rebate collections for the eight County Organized Health System (COHS) counties, the Department will reconcile the counties' Paid Claims files with drug records obtained from the Pharmacy Benefits Manager (PBM) contractors who adjudicate the drug claims for COHS. This reconciliation will improve COHS' drug data and, thereby, improve COHS drug rebate collections.

The Department will enter into contracts to analyze edit reports, research cause and correction for critical data errors, develop corrective action plans, track error rates, and monitor improvement efforts.

This effort is considered Maintenance and Operation (M&O) for systems that are required for interfaces with each of the eight existing COHS counties. These systems were last updated via the Managed Care Initiative Project, Project # 1500-122, approved by the Department of Finance on September 7, 1993. Phase III of the project completed in 1994 addressed County Health Initiative (HI) plans now known as COHS. Feasibility Study Report (FSR) requirements are met for M&O and enhancements for approved systems when costs are less than 10% of the original approved project.

These expenditures are expected to be \$212,000 for FY 2006-07 and \$28,000 for FY 2007-08 and qualify for 75% FFP. Increased rebates due to these system improvements are estimated to be \$8.7 million TF annually and will start January 2008 with the collection of CY 2007's Quarter 3 rebate invoices, for an estimated \$4.35 million to be collected in FY 2007-08.

MMA SYSTEM-GENERATED NOTICE OF ACTION

OTHER ADMIN. POLICY CHANGE NUMBER: 42

IMPLEMENTATION DATE: 4/2006

ANALYST: Karen Fairgrieves

FISCAL REFERENCE NUMBER: 1111

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$374,000	\$1,469,000
STATE FUNDS	\$187,000	\$734,500
FEDERAL FUNDS	\$187,000	\$734,500

DESCRIPTION

Beginning January 1, 2006, Medi-Cal beneficiaries who are newly entitled to the Medicare Part D prescription drug benefit will be notified of the reduction in their Medi-Cal benefits. Medi-Cal expects to pay for prescription drugs until the individual has received a 10-day Notice of Action (NOA.) Due to a lag in the Medicare eligiblility determination, it can take up to two months for the dual eligible to be identified and a notice sent.

The Department is working on a system-generated NOA which is expected to be completed in August 2006. To provide NOAs to newly dual eligibles identified December 2005 through March 2006, a NOA will be sent out in April 2006 with an effective date of May 2006. This NOA is expected to cost \$374,000. The newly dual eligibles for April through July 2006 will be mailed out in August 2006 with the system-generated NOA.

FY 2005-06 New Dual Eligibles per month # of Months (Dec - March) Dual Eligibles to receive NOA Cost per NOA FY 2005-06 Cost	18,750 x 4 75,000 x \$4.98 \$374,000
FY 2006-07 New Dual Eligibles per month # of Months (April - July) Dual Eligibles to receive NOA	18,750 x 4 75,000
New Dual Eligibles per month	20,000
# of Months (August - June)	x 11
Dual Eligibles to receive NOA	220,000
Total Dual Eligible to receive NOA in FY 06-07	295,000
Cost per NOA	x \$4.98
FY 2006-07 Cost	\$1,469,000

PIA EYEWEAR COURIER SERVICE

OTHER ADMIN. POLICY CHANGE NUMBER: 43
IMPLEMENTATION DATE: 7/2003
ANALYST: Julie Chan

FISCAL REFERENCE NUMBER: 1114

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$400,000	\$400,000
STATE FUNDS	\$200,000	\$200,000
FEDERAL FUNDS	\$200,000	\$200,000

DESCRIPTION

Prison Industries Authority (PIA) fabricates the eyeglasses for Medi-Cal beneficiaries. Since July 2003, the Department has had an Interagency Agreement (IA) with PIA to reimburse them for one-half of the costs of the courier service that delivers orders between the optical providers and PIA. The two-way courier service ensures that beneficiaries have continued access to and no disruption of optical services. The current annual cost of the IA is \$400,000.

HEALTH-E APP

OTHER ADMIN. POLICY CHANGE NUMBER: 44

IMPLEMENTATION DATE: 5/2006

ANALYST: Cheri Johnson

FISCAL REFERENCE NUMBER: 1119

	FY 2005-06	FY 2006-07
TOTAL FUNDS	\$32,000	\$288,000
STATE FUNDS	\$0	\$0
FEDERAL FUNDS	\$32,000	\$288,000

DESCRIPTION

Health-e App is an electronic, web-based alternative to the traditional paper Medi-Cal/HFP joint application available to enrollment entities in all California counties. MAXIMUS, the administrative vendor for MRMIB, plans to make system changes to enable the general public to also use the Health-e App. The system changes will be a one-time development cost in FY 2005-06 and FY 2006-07.

CDHS will pay for the federal Title XIX share of this cost via an interagency agreement with MRMIB. MRMIB will budget the federal Title XXI share of the cost. The California Health Care Foundation (CHCF) will grant the matching funds for the federal Title XIX and Title XXI funding.

Assumptions:

1. MRMIB estimates the one-time development cost for system changes, and the federal funding for this cost. Only the Title XIX FFP is included in the Medi-Cal budget.

	CHCF	XIX FFP	XXI FFP	TOTAL
FY 2005-06	\$80,000	\$32,000	\$88,000	\$200,000
FY 2006-07	\$716,000	\$288.000	\$796.000	\$1.800.000